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Honorable John D. Dingell, Chairman  
Committee on Energy and Commerce  
House of Representatives  
2125 Rayburn House Office Building  
Washington, D.C. 20515-6115

Dear Chairman Dingell:

Thank you for your letter expressing concern that we properly interpret the Cable Television Consumer Protection and Competition Act of 1992 according to the language of the statute and traditional sources of legislative history.

As you know, the Commission has recently taken action to effectuate the Act's provisions regarding rate regulation, customer service, and program access, among several other provisions. In each case, the Commission endeavored to follow the plain language of the statute, as informed by any clear legislative record, and to effectuate its reading of Congressional intent based on its own judgement and expertise, in light of all comments received.

As you know, the Commission adopted rate regulations for cable systems on April 1, 1993, which, as a first step could mean total savings to consumers of about one billion dollars. The Commission has developed a benchmark formula for basic tier and cable programming service tier rates that will enable regulators to approximate what the competitive rates should be for a given cable system with particular characteristics, and to require a noncompetitive system to reduce its rates to this level or by ten percent, whichever is less. The formula applies to rates as of September 30, 1992. In order to determine whether we should refine further the benchmark formula for setting cable rates, we will seek additional data this Fall. In undertaking any such reevaluation, please be assured that we will continue to keep your concerns firmly in mind.

On April 1, 1993, the Commission also adopted regulations to implement the provisions of the Act intended to ensure nondiscriminatory access to cable programming for competitive service providers. The Commission concluded that price discrimination will be deemed to occur if the difference in the prices charged to competing distributors is not explained by the factors set forth in the statute, which generally involve (1) cost differences at the wholesale level in providing a program service to different distributors; (2) volume differences;

(3) differences in creditworthiness; financial stability; and (4) other factors.

Honorable John D. Dingell, Chairman

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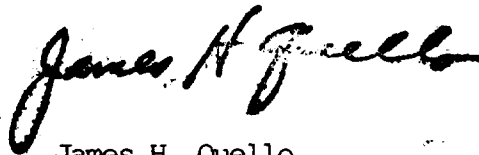
undue influence will not be required to make a threshold showing of harm. The Commission stated, however, that the plain language of the statute requires complaints filed pursuant to the general prohibitions of Section 628(b) regarding unspecified unfair practices must demonstrate that an alleged violation had the purpose or effect of hindering significantly or preventing the complainant from providing programming to subscribers or consumers.

The customer service provisions, adopted March 11, 1993, impose measurable customer service standards on cable systems in all areas of service specified in the Act. These standards are designed to impose a reasonable burden on system operators that is consonant with reasonable expectations of service by customers, including provisions for adjustment to correspond to local business practices.

Copies of your letter have been furnished to each of the Commissioners, as you requested. In addition, we have placed a copy of your letter and this response in MM Dockets Nos. 92-265 and 92-266, the programming access and rate regulation proceedings.

The texts of the various Orders will be released shortly. I have enclosed copies of the press releases regarding rate regulation, program access, and customer service which include detailed summaries of the Commission's actions in these proceedings. Thank you for your interest in this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "James H. Quello". The signature is fluid and cursive, with the first name "James" and last name "Quello" clearly legible.

James H. Quello  
Chairman

Enclosures

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U.S. House of Representatives  
 Committee on Energy and Commerce  
 Room 2125, Rayburn House Office Building  
 Washington, DC 20515-6115

March 23, 1993

The Honorable James H. Quello  
 Chairman  
 Federal Communications Commission  
 1919 M Street, N.W.  
 Washington, D.C. 20554

Dear Mr. Chairman:

The Cable Television Consumer Protection and Competition Act of 1992 is one of the most important statements of federal communications policy enacted by Congress in years. Its provisions are the result of years of hearings and extensive deliberation to determine how best to protect consumers against monopolistic abuse, enhance competition, and promote the development of diverse sources of programming.

Based on the Committee's record, it was clear that fundamental adjustments to then-existing law were required in order to provide consumers with much needed protection against unreasonable price increases in cable service and against the substandard, unacceptably poor service to customers that occurred too regularly throughout the industry. It was also clear that Congress had to act to promote the availability to consumers of more choice in their selection of video programming -- both from cable operators and their competitors.

The Act reflects a carefully crafted and balanced effort to achieve these objectives.

The Commission is now engaged in several important proceedings to establish regulations to implement the requirements of the Act. The Commission has developed a voluminous record based on the filings of numerous commentors, all urging the Commission to take particular actions in promulgating its implementing regulations. In

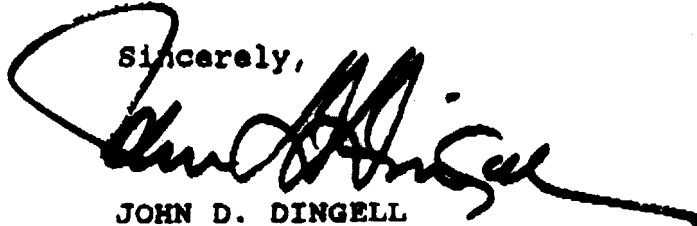
The Honorable James H. Quello  
March 23, 1993  
Page 2

express provisions of the Act itself. The policy goals and objectives that are set forth clearly within the "four corners" of the Act reflect the truest expression of Congressional intent. Although Congress anticipates that the Commission will exercise its discretion under the Act based upon its own expertise and judgment, the language of the Act itself provides the most persuasive source of guidance by which the Commission must construe and implement the new cable policy. If additional guidance is needed, traditional sources of legislative history, including the Statement of Managers and the floor statements of key Members of the House and Senate supporting the legislation, should be consulted.

I urge you and your fellow Commissioners to refrain from succumbing to political pressures -- from any party interested in these proceedings -- to diverge from the clearly articulated provisions of the statute as you adopt regulations to implement this new law.

I ask that a copy of this letter be provided to each of the Commissioners, and that copies be inserted into the public record of all appropriate dockets.

Sincerely,

A handwritten signature in black ink, appearing to read "John D. Dingell", with a long, sweeping horizontal line extending to the right.

JOHN D. DINGELL  
CHAIRMAN